



EMBASSY OF THE UNITED REPUBLIC OF TANZANIA
WASHINGTON, D.C.

Ambassador

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November 16, 2009

The Honorable Charles B. Rangel
Chairman, Committee on Ways and Means
House of Representatives
2354 Rayburn House Office Building
WASHINGTON, DC 20515.

(Fax) 202-225-0816

Dear Chairman Rangel:

As representatives from across Africa, beneficiaries of the African Growth and Opportunity Act (AGOA), and advocates for economic development in the region, we are writing to express our concerns with a proposal that has been made to extend duty free benefits for apparel produced in Bangladesh and Cambodia.

In Sub-Saharan Africa, the innovative trade preference program that you worked so hard to create, advance and enhance has created good jobs for hundreds of thousands of apparel workers in some of the world's poorest countries. AGOA now produces two-way trade between the United States and Africa in textiles and apparel that totals more than \$1 billion. As a result of this landmark legislation, tens of thousands of workers and hundreds of thousands of their family members have seen their lives lifted from poverty. In turn, the extension of these duty free benefits has created major industries that now provide crucial economic stability across the continent.

We are convinced that enactment of a proposal to grant duty free treatment to apparel export giants such as Cambodia and Bangladesh would cause massive loss of jobs in the poorest African countries and Haiti - - with catastrophic economic consequences.

Bangladesh is the third largest exporter of apparel in volume terms to the United States. And Cambodia, with only 15 million people, is already exporting three times more apparel than the entire AGOA region (39 African countries). Bangladesh alone already has 2.5 million jobs in the garment industry - - nearly ten times the number in AGOA countries.

Bangladesh and Cambodia are already among the lowest priced producers in the world and are by any reasonable standards already super competitive without trade preferences. Under this

new proposal, importers and retailers would get new duty savings of nearly one billion dollars a year. Bangladesh recently predicted an increase in exports from \$10 and \$25 billion over the next five years. We also note that recent statistics released by the US Commerce Department's Office of Textiles and Apparel shows that Bangladesh exports of apparel grew at a double digit rate even during the recession in 2009 - while all other major suppliers, (China aside) fell, some quite dramatically.

Over the last five years, these countries have built up large and competitive apparel sectors. Since 2004, apparel imports from Bangladesh and Cambodia have increased by 63 percent, an enormous increase that totals \$2.1 billion dollars - - that growth alone amounts to nearly twice the total volume of AGOA. In the two product categories that make up 82 percent of Africa's apparel exports to the US, Bangladesh and Cambodia have seen an almost 250 percent increase since 2004. In contrast, AGOA countries' exports in these two categories have fallen by 25 percent and 50 percent, respectively.

The facts clearly demonstrate that Bangladesh and Cambodia are growing while Africa, Haiti and other regions that the United States Congress has clearly indicated deserve special assistance are struggling for survival.

Adoption of duty free access for Bangladesh and Cambodia would amount to taking from the weakest to give new advantages to the powerful. We strongly urge you to help us to preserve the jobs that benefit so many of our citizens by rejecting proposals that would further concentrate apparel trade in a small handful of countries.

We extend our best wishes, and thank you for your longstanding commitment to our nations and people.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ombeni Sefue', with a stylized flourish at the end.

Ombeni Sefue